

**Comments of MJ Freeway Regarding**  
**PROPOSED REGULATION OF THE DIVISION OF PUBLIC**  
**AND BEHAVIORAL HEALTH OF THE DEPARTMENT OF HEALTH**  
**AND HUMAN SERVICES**

**LCB File No. R004-14**

**Introduction**

MJ Freeway LLC would like to thank the Legislative Council Bureau (LCB) for the opportunity to provide comments about the proposed regulation to implement Senate Bill 374.

MJ Freeway provides an enterprise business software platform to medical and retail marijuana enterprises – both non-profit and for-profit - in 12 states, the District of Columbia, Canada, and Europe. MJ Freeway has developed its tracking and reporting systems specifically for the cannabis industry with one paramount goal in mind: to provide accurate, real-time data to cannabis cultivators, infused products producers, and dispensaries, accounting for every gram of product in every phase of production – ensuring both internal and external accountability, including the ability to interface with state run reporting systems and to allow regulatory access to such data in real time.

Based on our experience in multiple states, each with different regulatory structures, with various sized and types of customers, and with different societal needs, we would like to provide the following comments.

**Comments**

The draft regulations reflect a comprehensive and detailed approach for which the LCB should be commended. This springs from the skill of the internal team the LCB created and the scope of the research undertaken. In reviewing the proposed regulations, we have a few suggestions for the LCB's consideration, with a view toward making the final regulations more comprehensive in the area of tracking, recording, and reporting. These suggestions come from our experience in other states, our knowledge of state-of-the-art information system functionality, and our above all goal of ensuring the successful implementation of Nevada's medical marijuana program.

**Testing and Labeling**

*Ref: Sec. 77, 78, 79*

The draft regulations specify a minimum label size of 2.75 inches by 4 inches. This is an uncommon label size for most standard retail point of sale label printers. We recommend revising the minimum label size to 2.25 inches by 4 inches, which is a common and available label size for point of sale label printers.

It is laudable that the LCB recognizes that a cornerstone of an effective and beneficial regulated cannabis market is a careful eye on the safety and quality of the product, mandating product testing and requiring open disclosure on product labeling. As we have interpreted the regulations, all cultivators, manufacturers, and dispensaries must maintain a collection of test data for all products that will display on labels to ensure that there is no miscommunication about the product being safe, sanitary, and of a specified potency.

Given the gravity of product safety, it is imperative that the test result recordings be restricted to verifiable sources. We propose that this is most easily done electronically; through an electronic test result filing system, an independent lab could ostensibly integrate its test result reporting directly into an inventory tracking system to guarantee accurately and scrupulously attached test results. Doing so would allow the system itself to confirm that the provided results are from a trusted source and could communicate as much to the patient.

Between the required testing results on the sales labels and the full list of required tests by product category in Section 119, it is noteworthy that the full list of tests exceeds that which must be labeled on the product container. In the spirit of patient safety through disclosure, we suggest that the LCB additionally requires that a dispensary furnish, upon patient request at time of sale, a full list of test results for a given product, including at a minimum the results specified in Section 119 for all current and historical tests recorded.

Furthermore, in much the same vein, the LCB should consider mandating on the label disclosure of all chemical additives or nutrients employed in the cultivation of a plant harvested for dried flower or for an infused product. Much like recording solvents and processes used in concentrate production or potential allergens in an infused product, it is in a patient's best interest to be proactive in disclosing the processes and additives used in cultivating the original plant.

### **Patient Delivery and Online Ordering**

We commend the LCB for permitting delivery service of medical cannabis to expand accessibility to those in need. This is a valuable service with considerable patient benefit.

We encourage the LCB to include language explicitly permitting the creation and use of an online store-front at which a patient may view a listing of available products, with safety and potency testing information, and electronically submit and schedule a delivery order. This would enable a patient with limited mobility or limited transportation to acquire necessary medication without balancing need against substantial concern for personal ability or logistics.

As an additional benefit, a dispensary could verify a patient's submitted order details against a previously established patient profile, minimizing the time necessary to generate the requisite transportation manifest and verify the patient's validity against any state system put into place. This information could then be logged within the patient's record, allowing the dispensary to furnish delivery information as necessary to the state.

### **State Recording and Tracking System**

The LCB shows foresight in planning to establish a state electronic verification system, and we urge that this system be expanded to include thorough tracking of product movement and sales, establishing the following:

- An external interface via a secure API to allow third party software systems to report all required data into the state database to allow seamless maintenance of records and to enable a quick and accurate update on demand.

- An account of all inventory held by an organization in any stage of cultivation, production, display, or sale.
- An internal reporting system to provide regulators with comprehensive knowledge of an organization's inventory to assist in pinpointing anomalous data.

Such a system can be updated daily or continually, allowing the state access to monitor and investigate all movements of product and react swiftly to possible diversion or breach of regulation.

### **Standardized Measures**

It has been our experience that a standard unit of measurement provides for the best understanding within and between organizations and the patients they serve.

We encourage the LCB to review and revise the weight requirements to encourage or require the gram as the standard unit of measurement. NTEP certified scales that meet Department of Agriculture standards are capable of measuring product to the hundredth of a gram, and these measurements can be used to ensure precise data recording, both within the database and in any potential reporting to patients or to the state.

### **Production Batch Tracking**

We applaud the LCB for establishing harvest batches as a foundation of state cannabis tracking. Tracking product from an early stage greatly facilitates precise tracking of product at any stage thereafter. From our experience with multiple jurisdictions, those that include and those that do not include the following, we wholeheartedly recommend that the LCB consider establishing a second type of batch for manufactured products.

The use of production batches enables a regulatory body to track all harvest batches providing source material used in the construction of an infused product or concentrate. In states and jurisdictions with this documentation, products commonly receive labels that include a proportional listing of all parent harvest batches and chemical additives used across all sources, guaranteeing an informed patient and a quick and easy reference should public health and safety necessitate a recall.

Generally this would also provide a chance for the state to monitor and track in detail a common practice in many dispensaries, that of creating house blends consisting of product from different strains or mixed "shake" of assorted flower strains. Either product would necessarily result in ambiguity of batch information, while a proportional listing of parent batches in a production batch would allow patients to identify the origin of their blended product and, if necessary, discard any that may not be safe for consumption.

### **Conclusion**

On behalf of MJ Freeway, we want to thank the Legislative Council Bureau for this opportunity to comment on the proposed regulations for implementation of Senate Bill 374. The LCB has demonstrated an admirable level of commitment in developing fundamental regulations to implement the law. As we have experienced in other jurisdictions, regulatory systems and tracking/reporting systems will ultimately be informed by experience over time – seeing what works and what does not work. Starting with demanding regulations, as the proposed regulations are, is the right approach.

The suggestions in our comments above spring from the dynamic evolution we have observed and participated in over the years in the many jurisdictions where we work. Our mission is to provide comprehensive electronic systems for the growing, processing, and dispensing of medical marijuana to avoid diversion, ensure a clear chain of custody, and to increase the public's confidence that this medicine is being handled properly.

If you have any questions about our comments, please contact us.

Respectfully submitted,

MJ Freeway,

Amy Poinsett

Co-founder & CEO  
888-932-6537, ext. 701  
[amy@mjfreeway.com](mailto:amy@mjfreeway.com)

Jessica Billingsley

Co-founder & COO  
888-932-6537, ext. 702  
[jessica@mjfreeway.com](mailto:jessica@mjfreeway.com)